

February 12, 2026

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Securities code: 3465, Tokyo Stock Exchange, Prime Market
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Notice of Issuance of Share Acquisition Rights (Stock Option with Charge)

KI-STAR REAL ESTATE Co., Ltd. (“KI-STAR”) hereby announces that the Board of Directors approved a resolution on February 12, 2026 to issue share acquisition rights to directors of KI-STAR as described below pursuant to the provisions of Articles 236, 238 and 240 of the Companies Act. The share acquisition rights will be issued without approval of a General Meeting of Shareholders because the share acquisition rights will be sold to the recipient at a price equivalent to their fair value and not allocated at particularly favorable terms. In addition, the share acquisition rights will be purchased at the discretion of the individual eligible to receive them and are not distributed as remuneration for this individual.

I. Purpose and reason for offering the share acquisition rights

As the current fiscal year is the first year of the Medium-Term Business Plan, the share acquisition rights will be issued to directors of KI-STAR in consideration for a payment. The purpose is to ensure that KI-STAR achieve the ultimate goal sales amount of 500 billion yen and go further, and to enhance motivation, morale and a sense of solidarity in KI-STAR further.

If all of the share acquisition rights are exercised, the number of shares of common stock to be issued will correspond to 1.89% of the total number of issued shares of KI-STAR as of December 31, 2025, the total number being 15,866,400 shares. However, the share acquisition rights can be exercised only if pre-determined performance targets are achieved. Reaching these targets is expected to contribute to growth in corporate value and shareholder value, which would produce benefits for current shareholders, too. As a result, KI-STAR believes that the impact of share dilution due to the issuance of the share acquisition rights is reasonable.

II. Terms and conditions for issuance of the share acquisition rights

Share acquisition rights No.5

1. Number of share acquisition rights:

3,000

The total number of shares of KI-STAR common stock to be granted upon the exercise of the share acquisition rights is 300,000. If the number of shares to be granted is adjusted as described in the following section 3. (1), the total number of shares to be granted will instead be the adjusted number of shares to be granted multiplied by the number of the share acquisition rights.

2. Payment for share acquisition rights

The issue price for one share acquisition right is 41,500 yen. The issue price was decided by Plutus Consulting Co., Ltd., a third-party valuation firm. To determine this valuation, Plutus Consulting used KI-STAR stock price and other items and a calculation using a Monte Carlo simulation, which is a widely used option price determination model.

3. Details of the share acquisition rights

(1) Class and number of shares to be issued upon exercise of the share acquisition rights

The class of shares to be issued upon exercise of the share acquisition rights shall be common stock of KI-STAR, and the number of shares to be issued per share acquisition right (the “number of shares granted”) shall be 100.

If KI-STAR conducts a stock split (including the allotment of shares of KI-STAR common stock without charge; the same applies hereafter) or a consolidation of shares after the allotment date of the share acquisition rights, the number of shares granted will be adjusted in accordance with the following formula. However, this adjustment will be performed only for shares to be issued upon exercise of the share acquisition rights that have not been exercised at the time of the stock split or consolidation of shares. Any fraction less than one share resulting from the adjustment is discarded.

Number of shares granted after adjustment = Number of shares granted before adjustment × Ratio of split (or consolidation)

In addition, after the allotment date of the share acquisition rights, if there is a merger, company split, share exchanges or share issuance involving KI-STAR or if there is some other event that requires an adjustment of the number of shares granted, KI-STAR may perform this adjustment in an appropriate manner to a reasonable extent.

(2) Value of assets to be contributed upon exercise of the share acquisition rights or calculation method thereof

The value of assets to be contributed upon exercise of the share acquisition rights is the amount calculated by multiplying the amount to be paid per share (the “exercise price”) by the number of shares granted.

The exercise price is 6,640 yen.

If KI-STAR conducts a stock split or a consolidation of shares after the allotment date of the share acquisition rights, the exercise price will be adjusted in accordance with the following formula and any fraction less than one yen resulting from the adjustment will be rounded up.

$$\text{Exercise price after adjustment} = \frac{\text{Exercise price before adjustment} \times 1}{\text{Ratio of split (or consolidation)}}$$

If KI-STAR issues new shares of common stock or disposes its treasury shares at a price below market value (excluding the cases of the issuance of new shares through the exercise of the share acquisition rights, disposal of treasury shares, as well as the transfer of treasury shares through a share exchange) after the allotment date of the share acquisition rights, the exercise price will be adjusted in accordance with the following formula and any fraction less than one yen resulting from the adjustment will be rounded up.

$$\text{Exercise price after adjustment} = \frac{\text{Exercise price before adjustment} \times \frac{\text{Number of issued shares} + \frac{\text{Number of newly issued shares} \times \text{Amount to be paid per share}}{\text{Per share market price before new issuance}}}{\text{Number of issued shares} + \text{Number of newly issued shares}}}{}$$

In the formula above, the “number of issued shares” denotes the total number of issued shares of KI-STAR common stock less the number of treasury shares. If the KI-STAR disposes of its treasury shares, the “number of newly issued shares” will be replaced with the “number of treasury shares to be disposed of”, and “per share market price before new issuance” will be replaced with the “per share market price prior to the disposal of treasury shares”, respectively.

In addition, if there is a need to adjust the exercise price due to a merger with another company, company split, or any other similar events after the allotment date of the share acquisition rights, KI-STAR may appropriately adjust the exercise price to a reasonable extent.

(3) Period during which the share acquisition rights may be exercised

The exercise period of the share acquisition rights starts on July 1, 2028 and ends on March 1, 2036. (prior bank operating day if the last day of the exercise period is a bank holiday).

(4) Matters regarding the amount of capital and capital reserve to be increased

- 1) The amount by which the capital will be increased as a result of the issuance of shares upon the exercise of the share acquisition rights is the maximum amount of increase in capital to be calculated in accordance with Article 17, Paragraph 1 of the Corporate Accounting Rules multiplied by 0.5. Any fraction less than one yen resulting from the calculation is rounded up.
- 2) The amount by which the capital reserve will be increased as a result of the issuance of shares upon the exercise of the share acquisition rights is the maximum amount of increase in capital described in item 1) above minus the amount of capital increase described in item 1) above.

(5) Restrictions on the acquisition of the share acquisition rights through transfer

The acquisition of the share acquisition rights through transfer requires an approval by a resolution of the Board of Directors of KI-STAR.

(6) Conditions for exercising the share acquisition rights

- 1) The maximum number of the share acquisition rights that holders of the share acquisition rights ("the rights holder") can exercise is the percentage of all the share acquisition rights held (with any fraction less than one right discarded) prescribed below only in the case that cumulative amount of ordinary profit in the consolidated income statement (non-consolidated if there is no consolidated income statement, same hereafter) in the KI-STAR Securities Report for the fiscal years ending in March 2027 and March 2028 exceeds the amounts set forth below.
 - a) In the event that the cumulative amount of consolidated ordinary profit has exceeded 55,000 million yen: 50%
 - b) In the event that the cumulative amount of consolidated ordinary profit has exceeded 56,000 million yen: 60%
 - c) In the event that the cumulative amount of consolidated ordinary profit has exceeded 57,000 million yen: 70%
 - d) In the event that the cumulative amount of consolidated ordinary profit has exceeded 58,000 million yen: 80%
 - e) In the event that the cumulative amount of consolidated ordinary profit has exceeded 60,000 million yen: 90%
 - f) In the event that the cumulative amount of consolidated ordinary profit has exceeded 65,000 million yen: 95%
 - g) In the event that the cumulative amount of consolidated ordinary profit has exceeded 70,000 million yen: 100%

If the consolidated income statement includes share-based remuneration expenses involving the share acquisition rights, the cumulative ordinary profit shall instead be the amount excluding the impact of this expense. The Board of Directors shall determine a different indicator for reference if there is a significant revision to the principles used for ordinary profit used for reference, such as due to the application of an international financial reporting standard.

- 2) At the time of exercising the share acquisition rights, the rights holder shall be required to have a position of director, auditor, executive officer or adviser of KI-STAR or any of its affiliates. Provided, however, that this clause shall not apply to cases where the Board of Directors finds a justifiable reason

for leaving KI-STAR before exercising the share acquisition rights, such as retirement from office due to expiry of tenure and mandatory age-limit retirement.

- 3) The share acquisition rights may not be exercised by an heir to the rights holders. However, if approved by the Board of Directors, the heirs of the right holders may assume and exercise the unexercised portion of the share acquisition rights, in accordance with the provisions of the allotment agreement concluded between KI-Star and the right holder.
- 4) If the total number of issued shares would exceed the number of authorized shares by the exercise of the share acquisition rights at the time of exercise thereof, the share acquisition rights cannot be exercised.
- 5) Any portion of the share acquisition rights that is less than one unit may not be exercised.

4. Allotment date of the share acquisition rights

March 2, 2026

5. Items related to acquisition of the share acquisition rights

- (1) If the shareholders meeting of KI-STAR approves (or the Board of Directors resolves, if the approval of the shareholders is not required) proposal for a merger agreement in which KI-Star becomes a dissolving company, a proposal for a company split agreement or a company split plan under which KI-STAR will become a splitting company, or a proposal for a share exchange agreement or share transfer plan under which KI-STAR will become a wholly owned subsidiary, KI-STAR may acquire all share acquisition rights without charge on a date separately specified by the Board of Directors of KI-STAR.
- (2) KI-STAR may acquire the share acquisition rights without charge in the event that the rights holder is no longer able to exercise the share acquisition rights pursuant to item 3. (6) above before the exercise.

6. Treatment of the share acquisition rights in conjunction with a corporate reorganization

For mergers (limited to cases where KI-STAR no longer exists as a result of the merger), absorption-type company splits, incorporation-type company splits, share exchanges or share transfers of KI-STAR (the “corporate reorganization”), the share acquisition rights of stock companies specified in Article 236, Paragraph 1, Item 8, (1) to (5) of the Companies Act (the “reorganized corporations”) will be granted, respectively, to the rights holder on the effective date of the corporate reorganization in accordance with the following conditions. However, this provision is limited to cases in which absorption-type merger agreements, incorporation-type merger agreements, absorption-type company split agreements, incorporation-type company split plans, share exchange contracts or share transfer plans stipulate that the share acquisition rights of reorganized corporations will be issued under the following terms and conditions:

(1) Number of the share acquisition rights of reorganized corporations to be granted

The same number as the share acquisition rights held by the rights holder must be granted.

(2) Class of shares of reorganized corporations to be issued under the share acquisition rights

Common stock of the reorganized corporations must be granted.

(3) Number of shares of reorganized corporations to be issued under the share acquisition rights

To be determined in accordance with item 3. (1) above, while taking into account the terms and conditions of the corporate reorganization.

(4) Value of assets to be contributed upon the exercise of the share acquisition rights

The value of assets to be contributed upon the exercise of each share acquisition right to be granted is the amount obtained by multiplying the amount to be paid in after the corporate reorganization through adjustment of the exercise price as prescribed in item 3. (2) above by the number of shares of reorganized

corporations to be issued upon the share acquisition rights in accordance with item 6. (3) above, considering the terms and conditions of the corporate reorganization.

(5) Period during which the share acquisition rights can be exercised

The period starts on the later of either the first day of the exercise period as prescribed in item 3. (3) above or the effective date of the corporate reorganization and ends on the last day of the exercise period as prescribed in item 3. (3) above.

(6) Matters regarding the amount of capital and capital reserve to be increased as a result of the issuance of shares upon the exercise of share acquisition rights

To be determined in accordance with item 3. (4) above.

(7) Restrictions on the acquisition of share acquisition rights through transfer

The acquisition of share acquisition rights through transfer requires an approval by a resolution of the Board of Directors of the reorganized corporation.

(8) Other conditions for exercising share acquisition rights

To be determined in accordance with item 3. (6) above.

(9) Reasons and conditions to acquire share acquisition rights

To be determined in accordance with item 5. above. 7. Matters regarding certificates for the share acquisition rights

KI-STAR will not issue certificates for the share acquisition rights.

8. Payment date for the share acquisition rights

March 2, 2026

9. Subscription date

February 27, 2026

10. Allottees of the share acquisition rights and the number of the share acquisition rights to be allotted

6 directors of KI-STAR 3,000 units